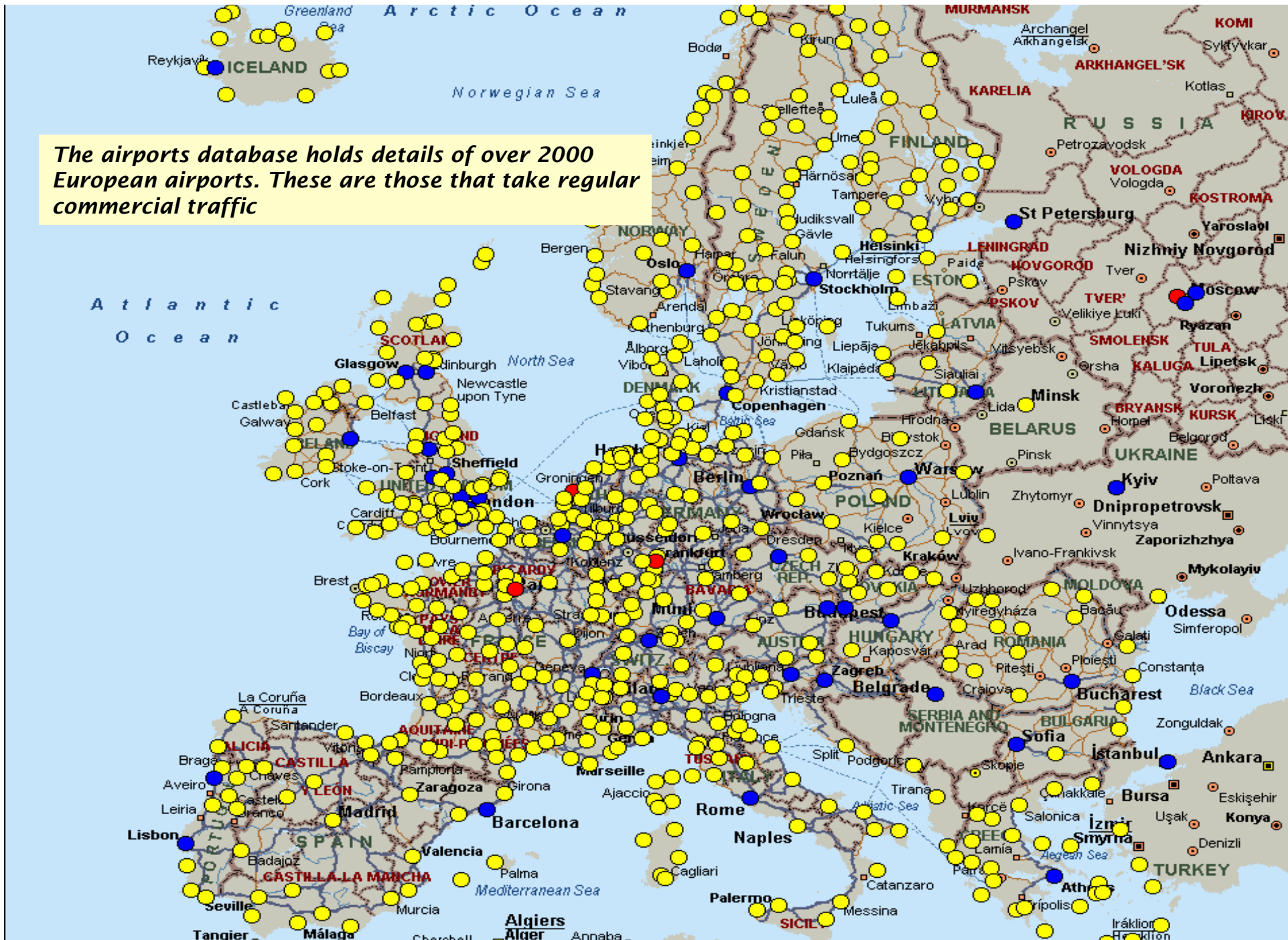


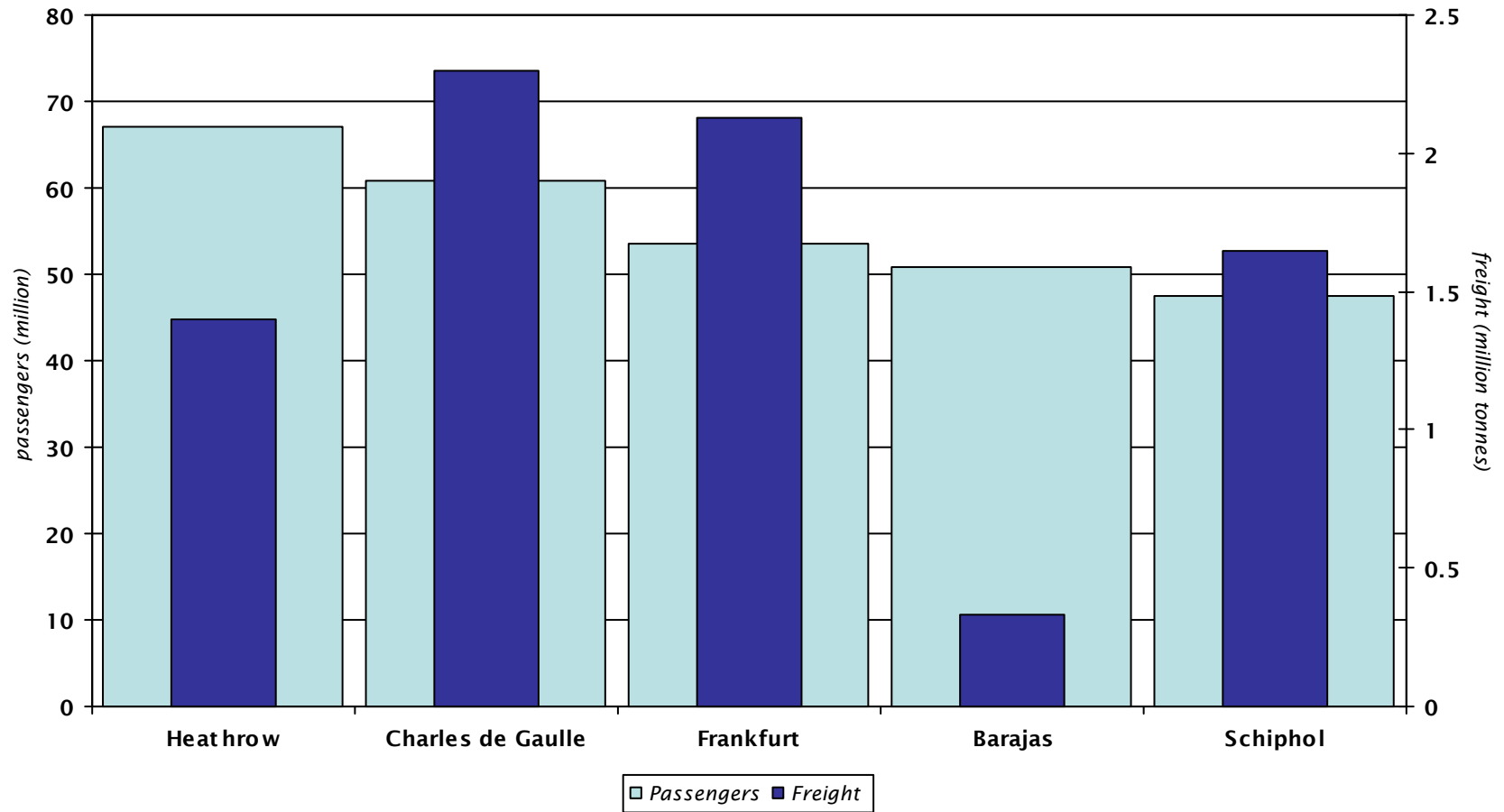
# *Airport property*

**Bob Thompson**

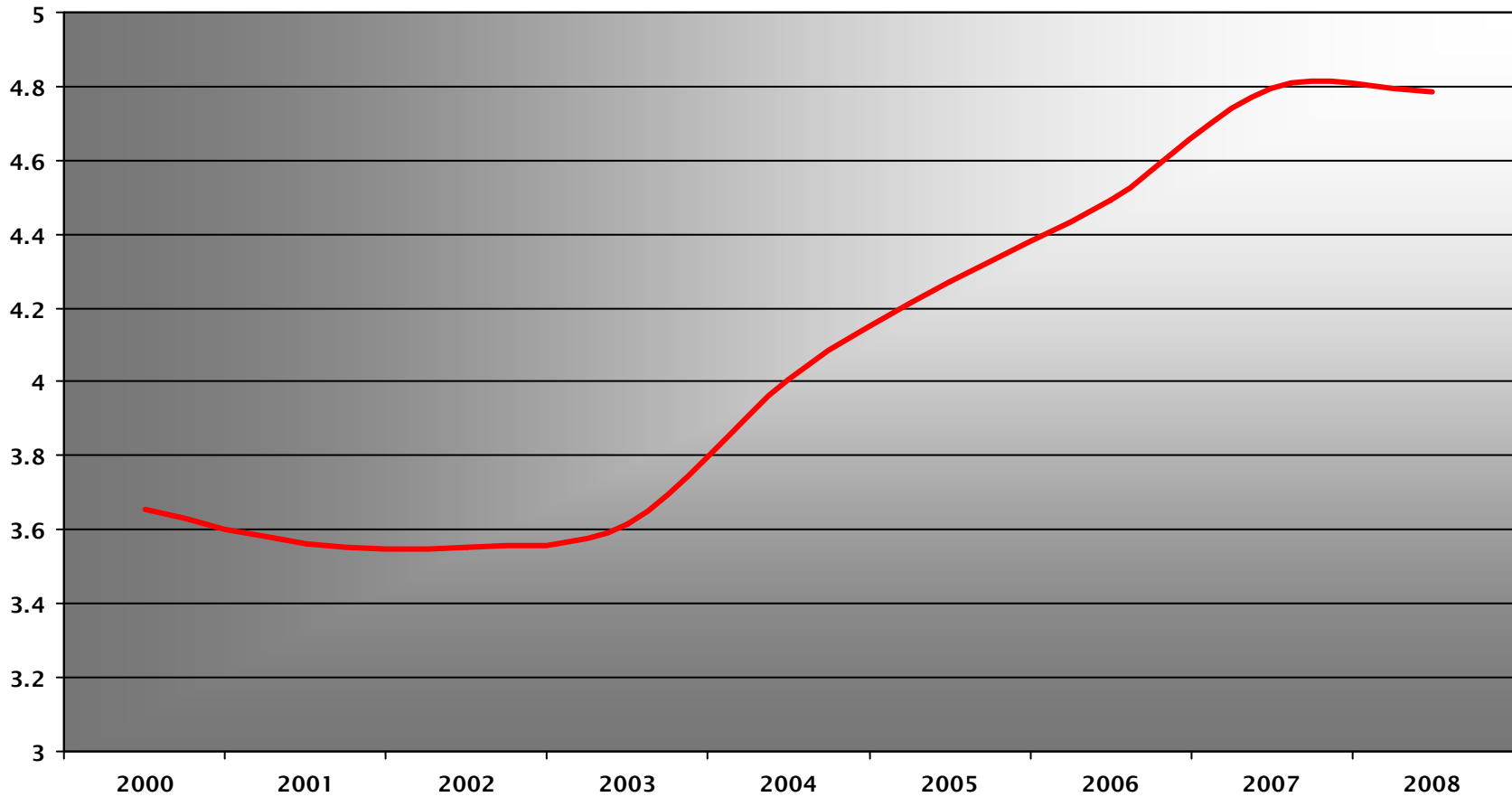
[bob.thompson@remitconsulting.com](mailto:bob.thompson@remitconsulting.com)



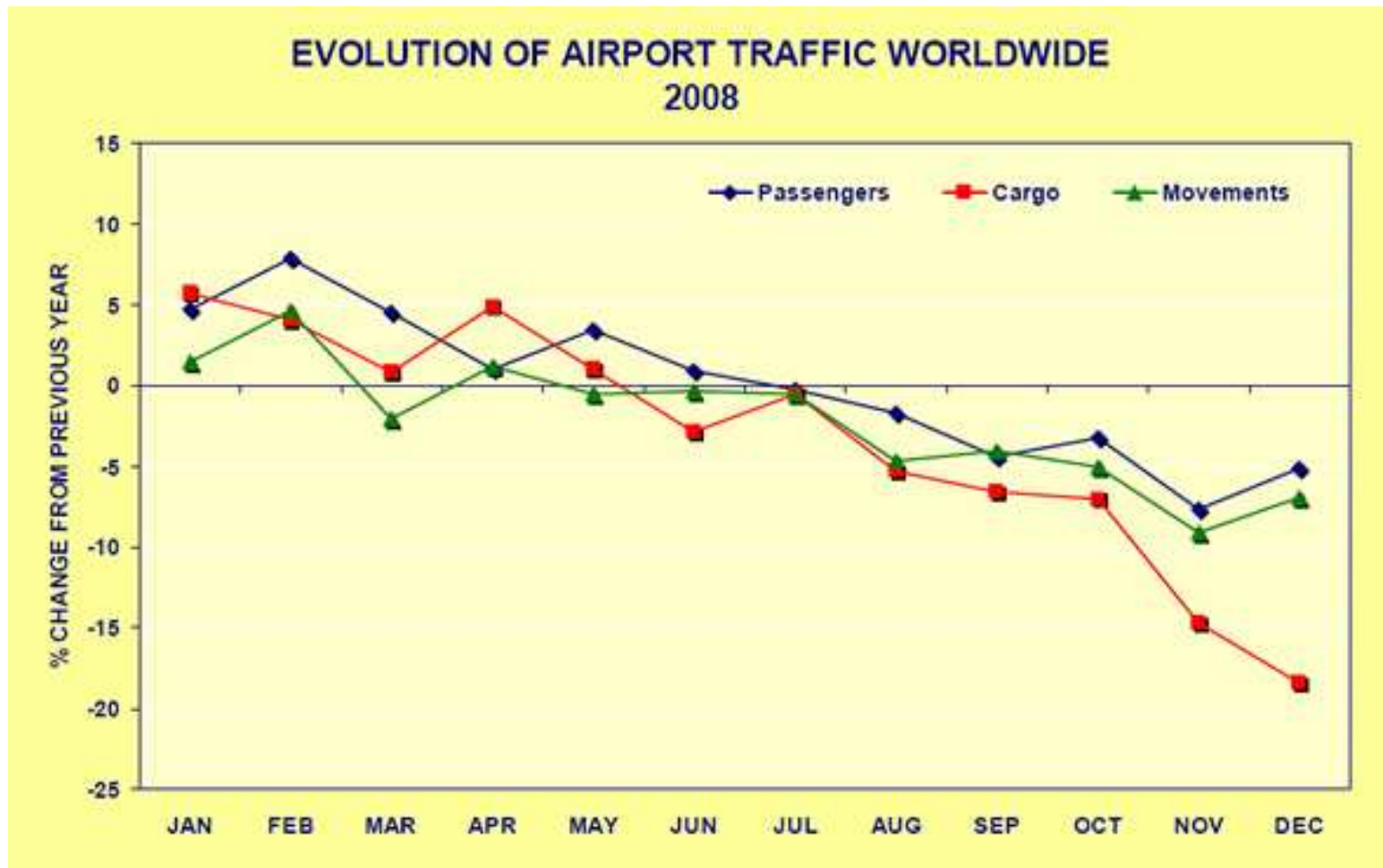
# The top hubs in 2008



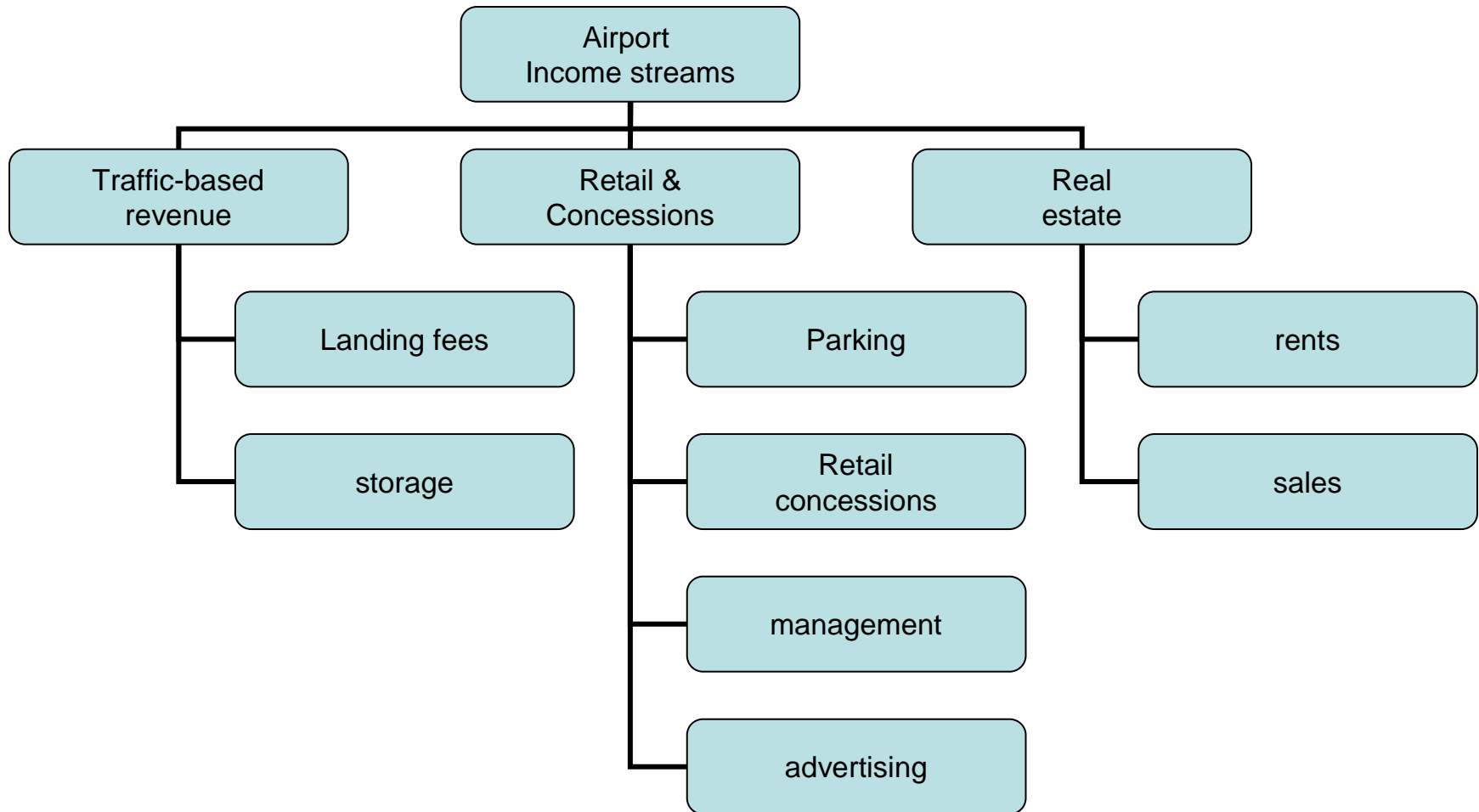
*Passenger traffic has risen significantly since 2003...*



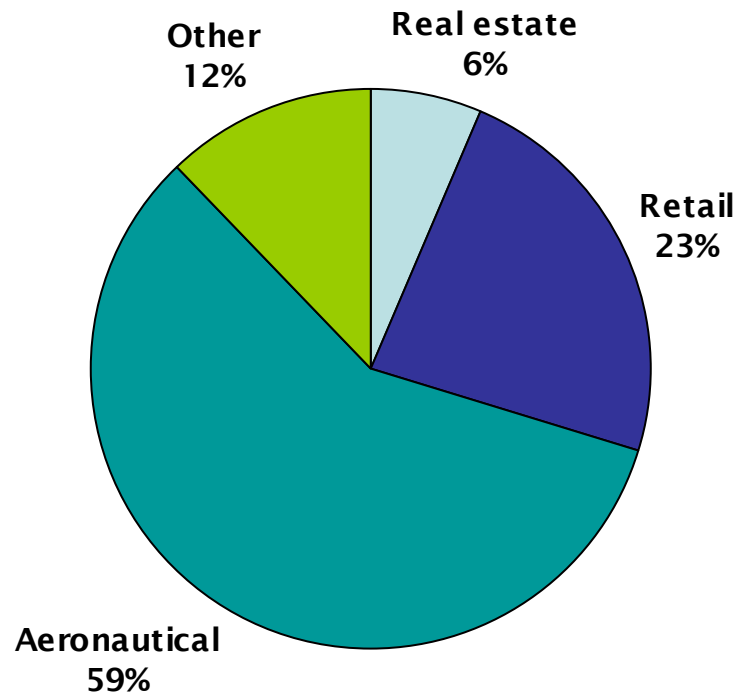
*...but volumes began to slide in 2008*



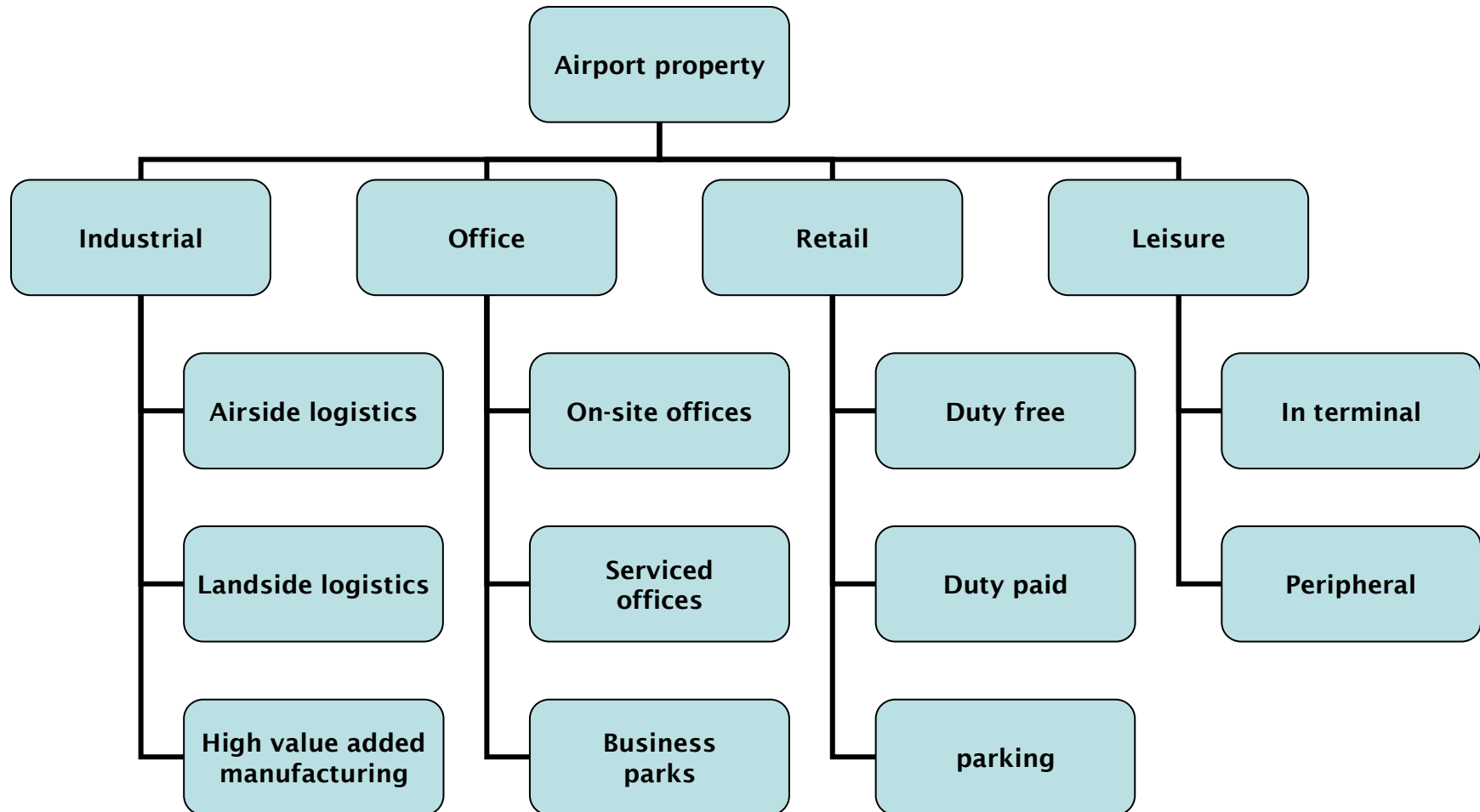
# *The airport business model*



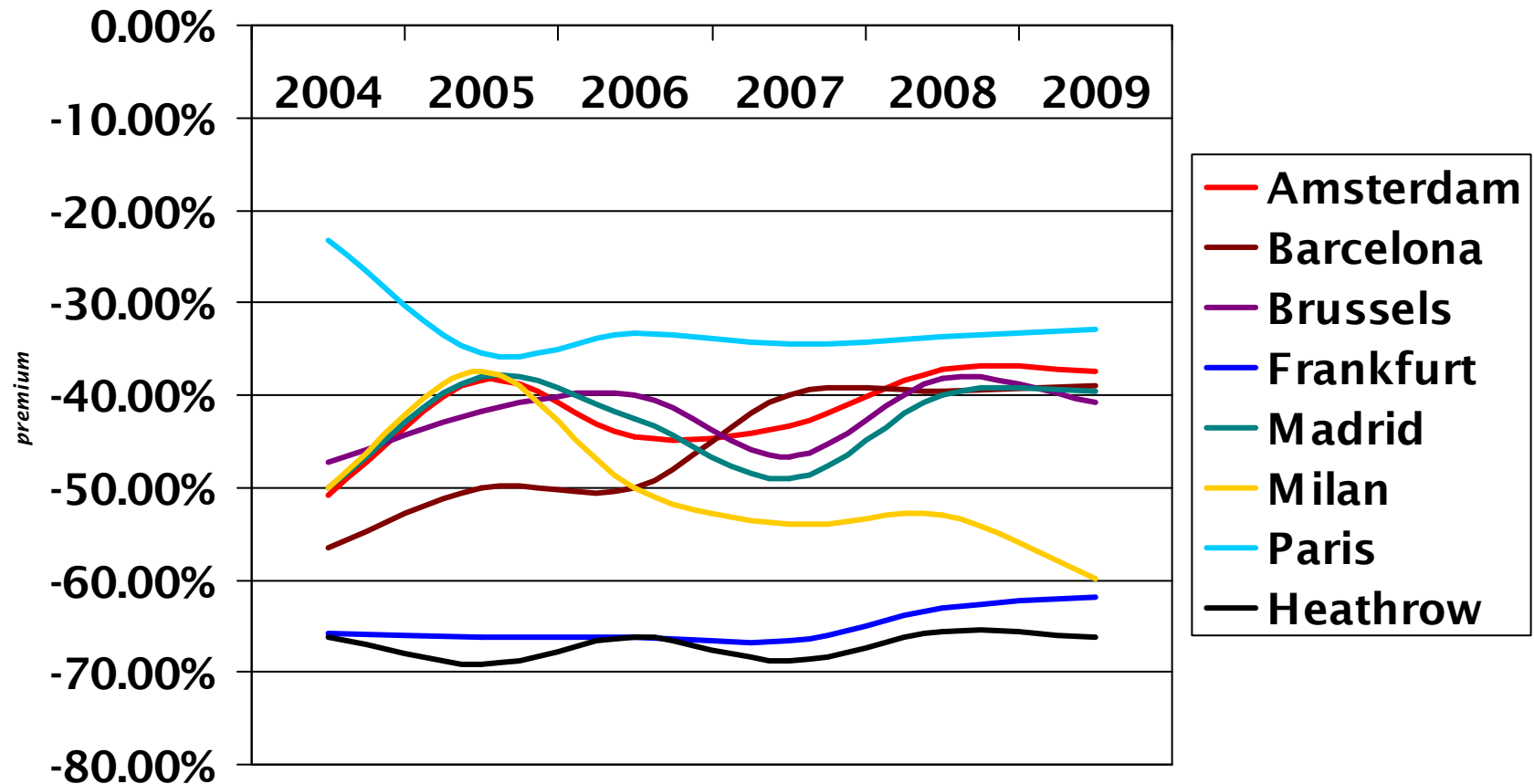
*Hub revenues 2008*  
*Aeronautical revenues are controlled – options for growth are in property*



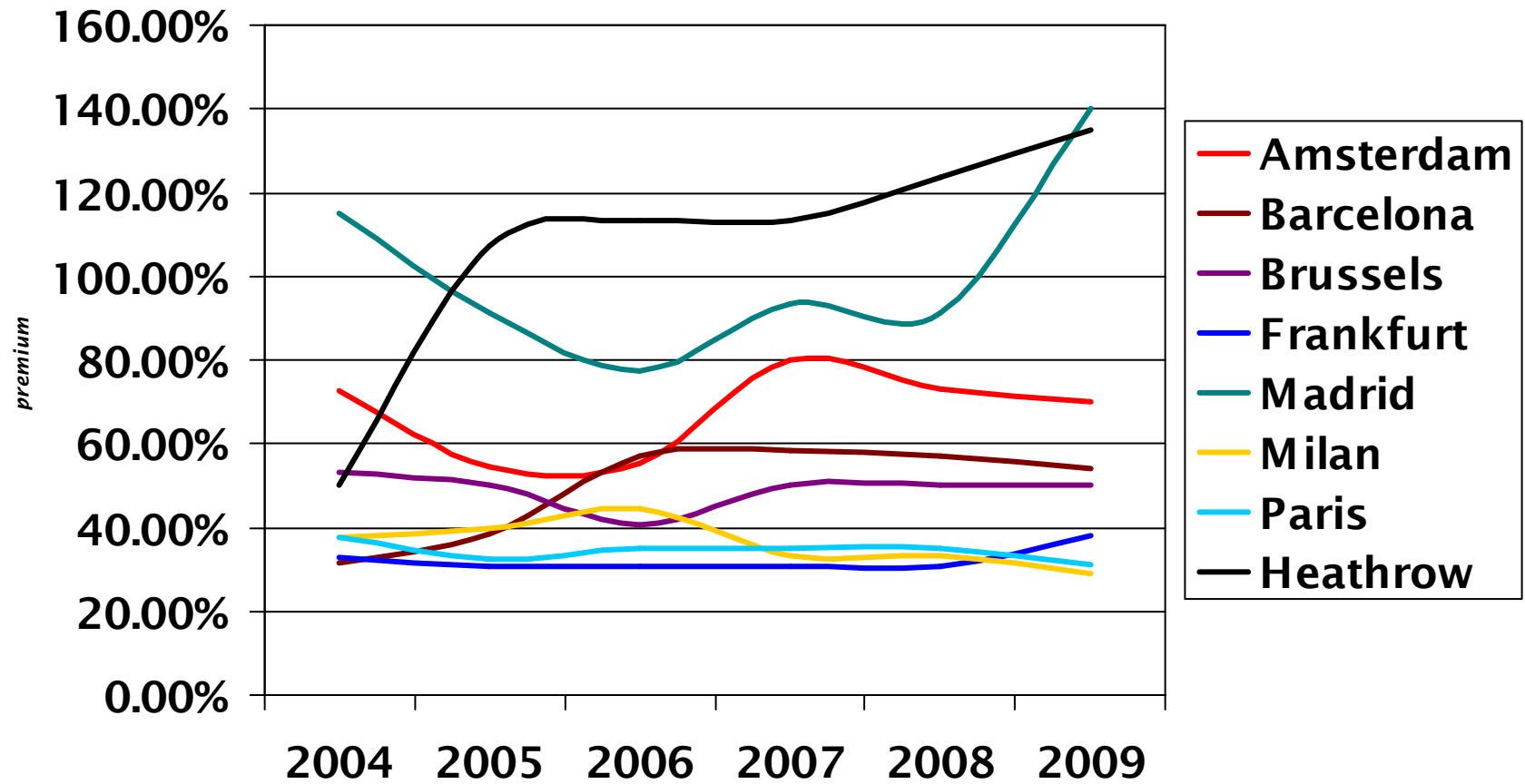
# *Airport property - a taxonomy*



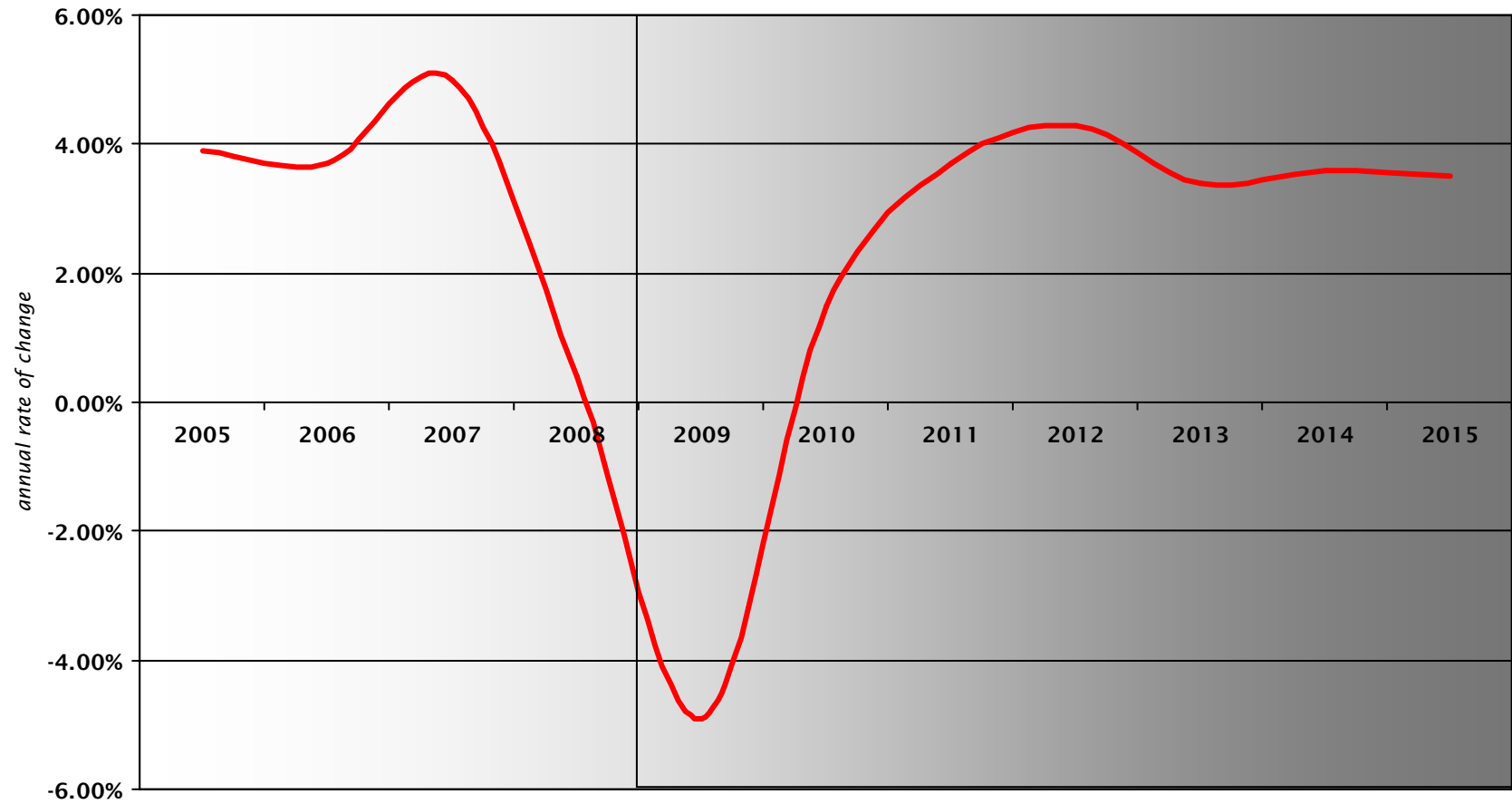
## *Offices - airport rents show reverse premia against cities served*



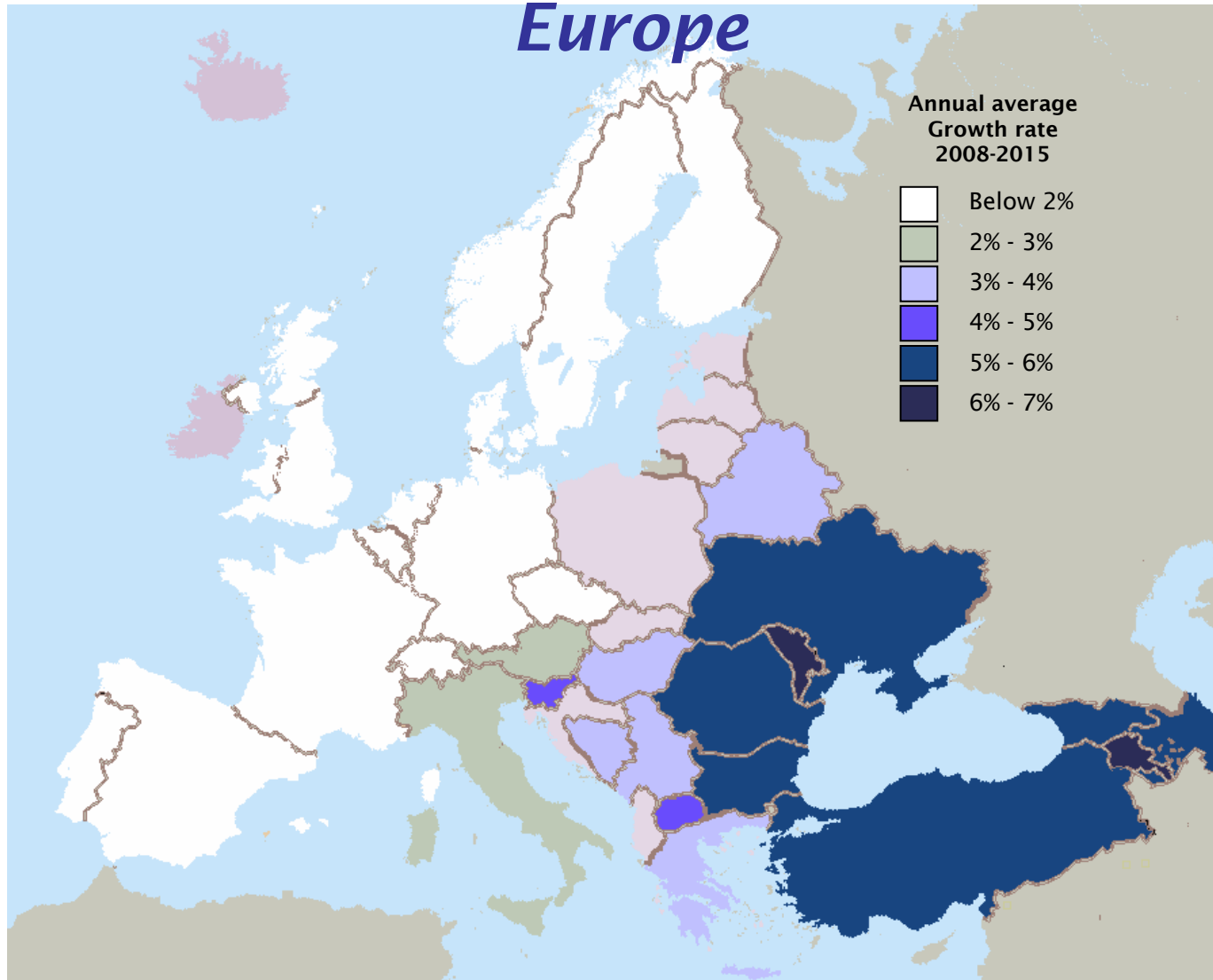
*But airport industrial rents show premia over local market averages*



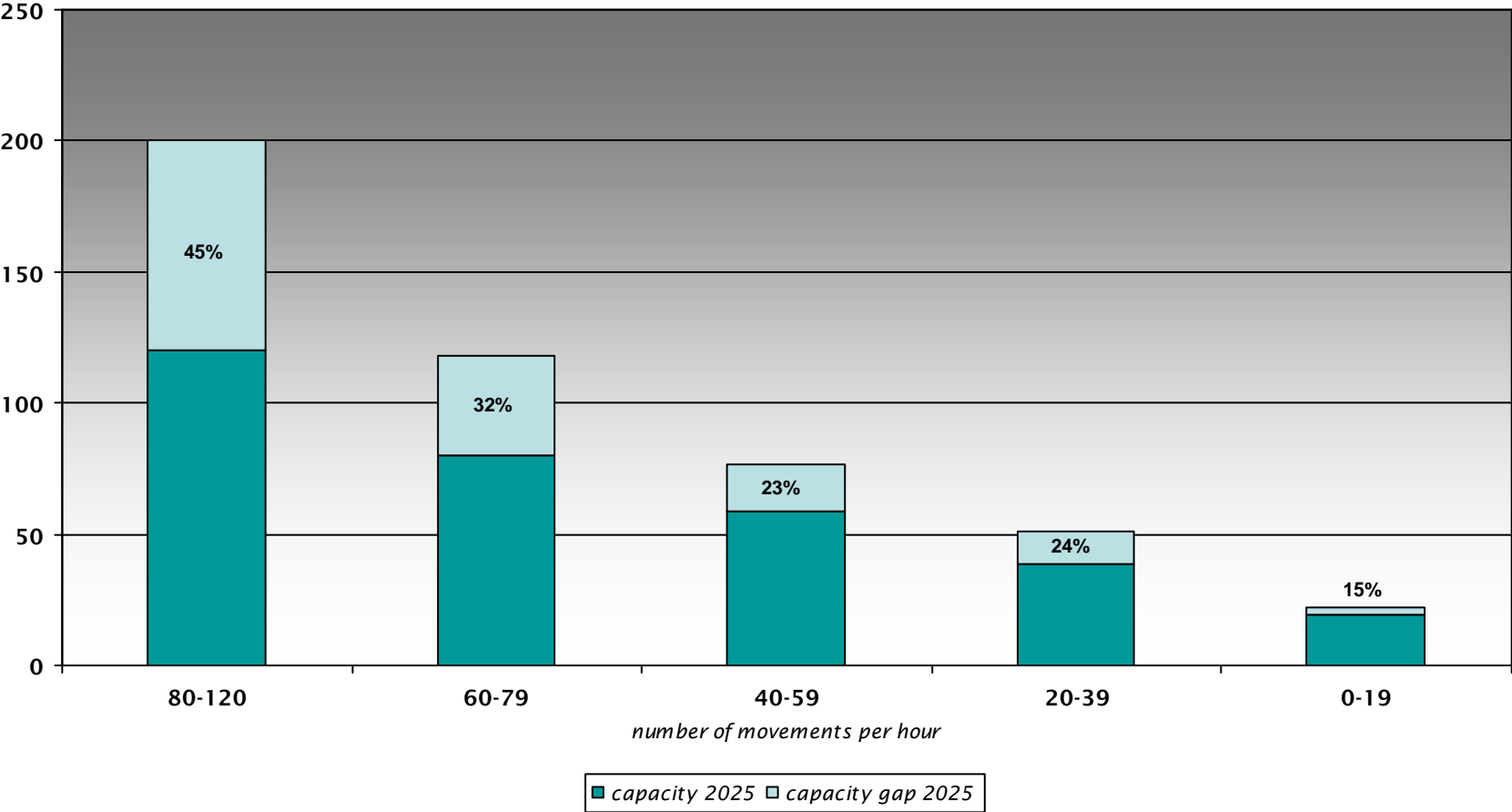
## Forecast traffic growth



# *Most growth focused on Southern & Eastern Europe*



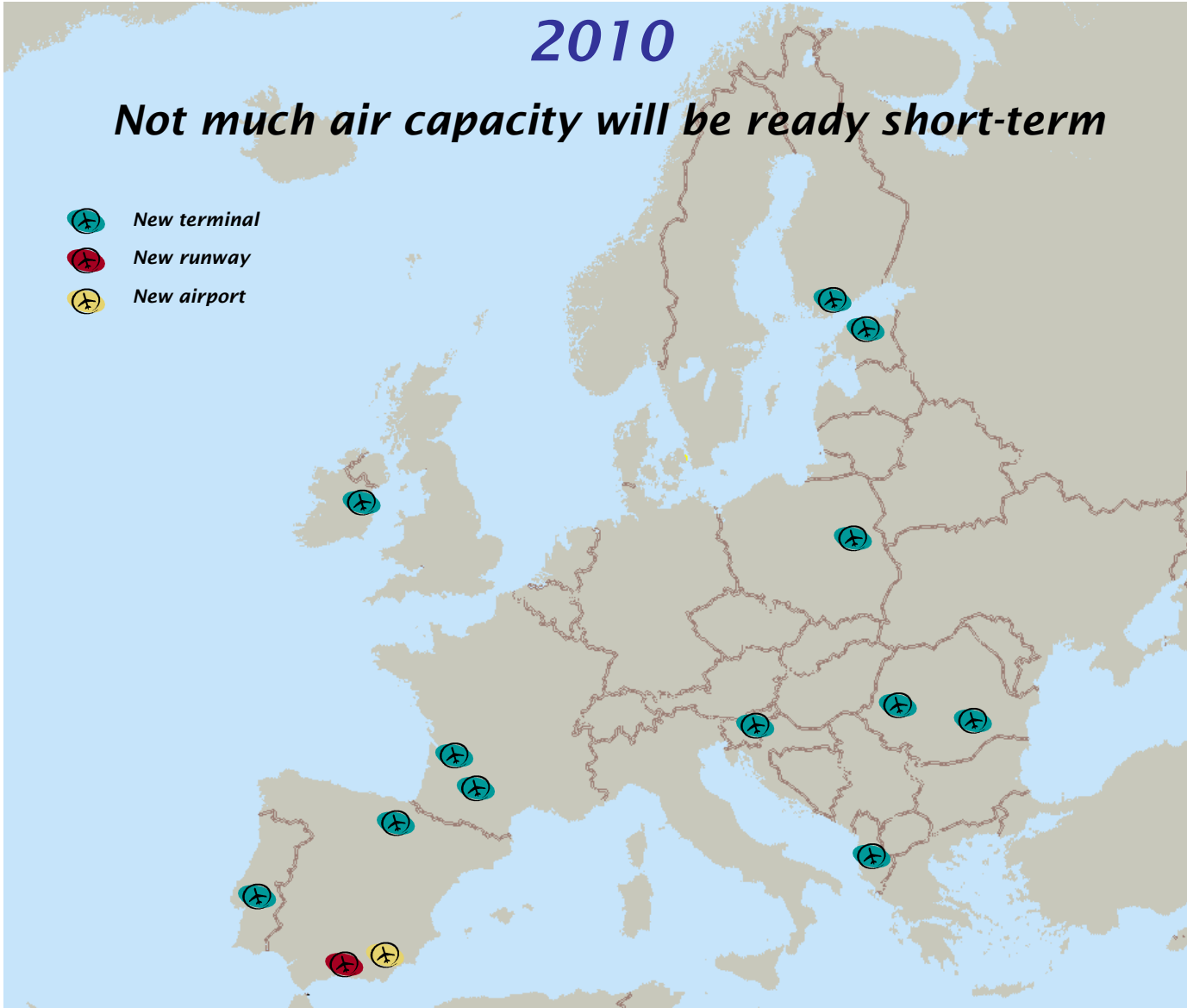
*By 2025 there will be a significant capacity gap at most European commercial airports.*



2010

*Not much air capacity will be ready short-term*

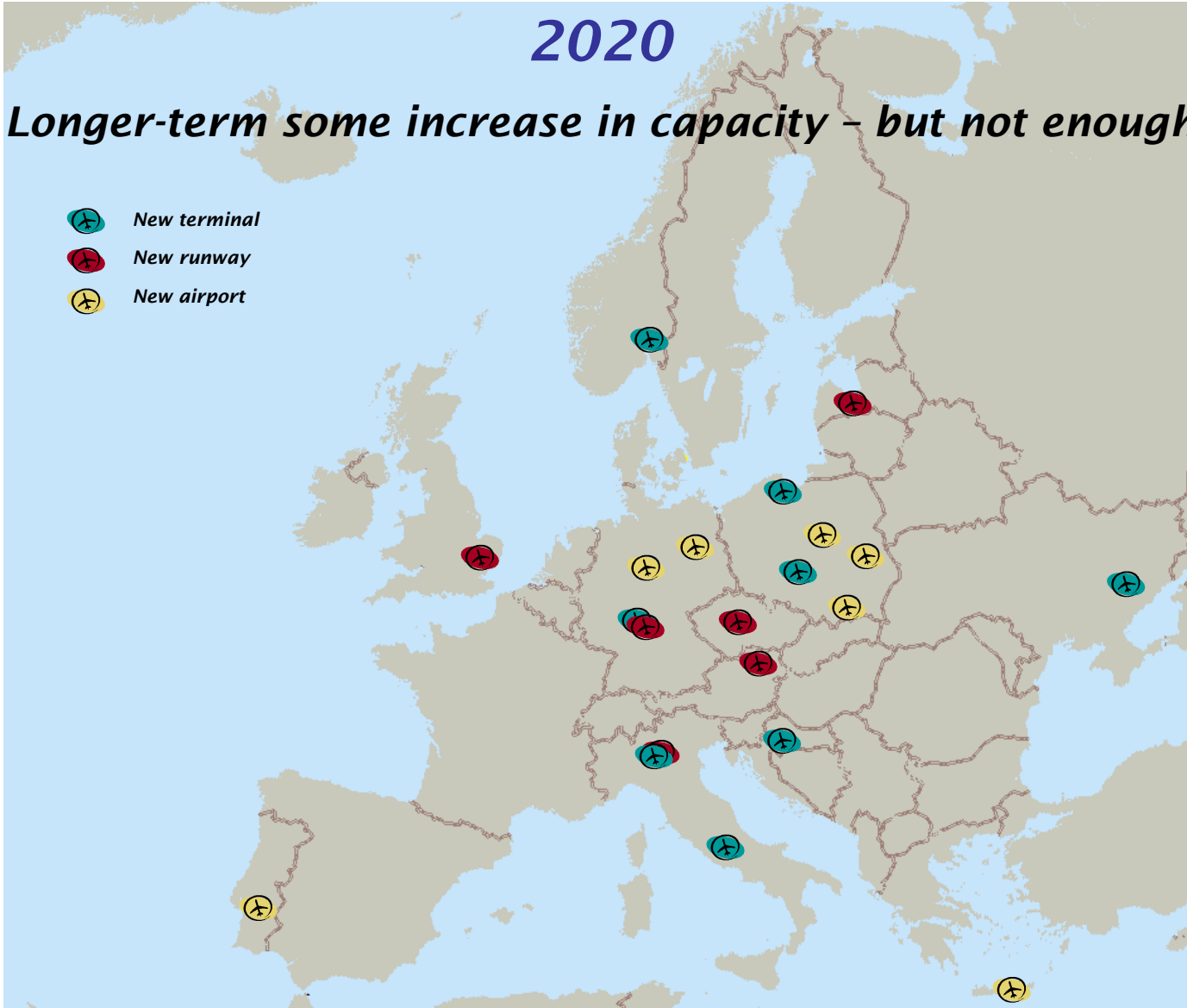
-  New terminal
-  New runway
-  New airport



2020

*Longer-term some increase in capacity – but not enough*

-  New terminal
-  New runway
-  New airport



## *Environmental action needs to take the positives into account*

- Airbus A380 produces 75 grammes of CO2 per passenger kilometer (Car target 140)
- 4.1 million jobs in Europe
- 25% of global trade by value
- 8% of global GDP
- Heathrow East reduces CO2 by 40%



## *Improved high-Speed Train City-Pairs post 2008*



*HST begins to eat into short haul flights*

# *Conclusions*

- Demand is expected to recover (along with the global economy)
- Significant capacity shortfalls in the medium-term
- Limited growth options at main hubs
- Displaced growth at national/ regional level